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C O N F I D E N T I A L BUENOS AIRES 001030

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G/TIP FOR BARBARA FLECK
WHA/PPC FOR MIKE PUCCETTI
WHA/BSC FOR DREW BLAKENEY AND CAROLINE CROFT
S/CT ARNOLD SIERRA
USDOJ FOR AMY YOUNG
VILNIUS FOR KELLY
GUATEMALA FOR FEATHERSTONE

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TAGS: PREL PRGOV ECON ELAB KCRM PHUM SMIG KWMN ASEC

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SUBJECT: ARGENTINE SPEAKER OF THE HOUSE SUPPORTS TIP AND CTF BILLS; SEES WEAK PARTIES AND LACK OF INFRASTRUCTURE AS MAJOR CHALLENGES

Classified By: AMBASSADOR E. ANTHONY WAYNE FOR REASONS 1.4 (B) AND (D)

11. (C) On May 22, Ambassador Wayne met with Argentine Speaker of the House Alberto Balestrini and Vice President of the House Patricia Vaca Narvaja. They underscored the importance of the bilateral relationship and continued cooperation in providing security to Argentines and Americans alike in the fight against terrorism and human trafficking. Balestrini expressed support for passing legislation to combat terrorism finance and trafficking in persons (TIP). They also discussed the role that parliamentary and other exchanges plays in strengthening the bilateral relationship; the Argentine Congress' ongoing legislative agenda in an electoral year; and the need for greater investment in Argentina's infrastructure and education.

Bilateral Agenda Positive, Exchanges Key to Deepening Understanding

¶2. (C) On May 22, Ambassador Wayne paid a courtesy call on Argentine Speaker of the House Alberto Balestrini and Vice President of the House Patricia Vaca Narvaja. Ambassador Wayne noted that the USG has a positive agenda with Argentina and that cooperation on a wide range of issues is excellent. Balestrini noted the importance of exchanges in deepening mutual understanding, and stated that a group of Argentine Congressmen were currently in the United States as a part of an inter-Parliamentary dialogue. The Ambassador agreed, and pointed out that the USG facilitates exchanges among youths, artists, teachers, scientists, and government officials to strengthen ties.

Status of CTF and TIP legislation

13. (C) The Ambassador then asked about the status of bills aimed at fighting terrorism finance and human trafficking that is currently pending in the Argentine Congress and noted our support for rapid passage of legislation on both topics. Balestrini expressed support for both bills and stated the issues are "beyond politics" as they are in the public's interest. He said he expected the Congress to vote on the

counterterrorism finance bill before the Financial Action Task Force meets in June.

Argentina's Major Challenges: Weak Parties and Lack of Infrastructure Investment

 $\underline{\ }$ (C) When asked about Argentina's major challenges, both Balestrini and Vaca Narvaja replied, "the reconstruction of political parties". Balestrini noted that although the 'Frente Para la Victoria" (or "oficialismo" of which both Balestrini and Vaca are members) has a plurality, there are 31 different political blocs in the Congress which makes it difficult to achieve consensus. Balestrini then commented on the poor state of Argentina's infrastructure, lamenting the lack of government investment in infrastructure for many years. "We have no one else but ourselves to blame for the lack of investment", he said, adding that the GOA needs to improve subway and train systems, and perhaps explore the possibility of building parking lots next to train and subway stations to encourage even greater use of the public transit system. He opined that Argentina thought privatization of the public transit system would improve the situation, but acknowledged that the GOA "handled privatization poorly." He observed that in almost all countries, the government heavily subsidizes public services like transportation. The lack of investment and maintenance in the rail system is what ultimately prompted President Kirchner to revoke private operator Trenes Metropolitano's concession to run the railways.

Request for USG Help to Resolve External Debt

15. (C) The Ambassador then asked whether there were areas where the USG could help Argentina. Balestrini stated that the USG could help Argentina in its efforts to resolve the remaining external debt. The Ambassador noted that it would not be easy, but that a solution is possible if all sides act in good faith. He stated that the USG is ready to work with the GOA in general, and the Ministry of Economy, in particular, to that end.
WAYNE